

Address by Admiral Stansfield Turner
Director of Central Intelligence
to the United States Coast Guard
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Good afternoon. I want to keep my remarks short, hope that you would ask questions or or give me some suggestions. I would like to cover two things with you briefly.

One is some feelings I have about the prospect this country faces as we move on into the 1980s. Second is the some thoughts about how we in the world of United States intelligence can better support you in what I believe may be growing responsibilities in the United States Coast Guard. Those responsibilities will grow in part out of the change in prospect I see for the United States in the decade ahead. The think the 80s are going to be a more difficult period for our country than were the 60s or the 70s. First, because it will be for the first time that the Soviet leadership has not felt militarily inferior to the United States, and this is bound to affect the way we do business in the world, particularly with the Soviet Union.

Obviously it is going to effect what we do with our own military programs, but my concern is no matter what we do with those, for the better part of this decade the perception of the Soviets, and the perception of a better part of the world is going to be military parity at the best. That means you can't bludgeon the Soviets, it doesn't mean we have to give into them or lull over or that we are going to be in a weaker position inherently than they, but it does mean that we have to adapt our tactics, we have to be better informed, we have to be more understanding of the forces that are driving them and driving the rest of the world.

The second factor that is going to make the 80s more difficult is that I do not believe the advanced economic countries, the developed countries of western Europe, Japan and ourselves can in the 1980s expect the same continued high rate of economic growth we have known in the past. For instance, in 1980 the OPEC countries are going

to cream off the top of world trade 110 billion, that is after they have sold everything they sell to us, they have bought everything they can buy from us, they are going to have \$110 billion left over. Now, billions are just numbers - now let me put it into perspective, that same number in 1978, 2 years ago was \$2 billion. Why? It goes back to the 3 1/2 fold increase in the oil prices of 1973 and 1974 that the OPEC countries imposed on the rest of the world. That shot their balance of trade up very much, \$50-60 billion dollars in 1974, but by 1978 it warmed down to \$2 billion. First, because they were buying more from us, but secondly because of inflation we ate away their profits through inflation. In 1979, having gone all the way down to \$2 billion they started pushing the price back up again, they are now at \$110 billion net profit and they are not going to let us eat that away with inflation, they are going to index the price of oil to the price of inflation to the rate of inflation and to the rate of growth of our economy in the west. So, we are going to be faced with the prospect of finding ways to recycle that money. You can imagine the impact this kind of surplus has on the rest of the world. It means that the money the rest of us were receiving is now going there instead and it particularly impacts the lesser developed countries and their economies.

Another reason the economic forecast for the 80s does not look good for us, is that there will be constraints on the amount of energy we can have. We predict at the Central Intelligence Agency that the best we can expect is a one or two percent in annual growth in the rate of energy supply over the better part of this decade. That will not sustain 3, 4, 5 or 6 percent growths of overall national product in the major developed countries. There is going to be a limitation here when we get out of the recession as to how much we can expand and revive our economy based on how much we can find new energy.

The third problem for the 80s that we must consider is that our allies are not going to managed and worked with in the same way as in the past. NATO, Japan, these countries are sound politically, they are prosperous economically and perhaps more than ever since all the crises in the Middle East they recognize that they have got to have a say in those

things that effect their vital national interests, like the oil supplies on which they survive. Now I am not trying to say to you that the alliance is going to break down or that NATO is going to be weaker, but I am saying to you that we are going to have to have a more participatory management, they are going to want to have their points heard in all the counsels of the alliance, even more than in the past. It is not easy to make an alliance of these many countries work smoothly unless you really make a big effort at it. To make that effort to find out how to recycle the petrol dollars, to find out how to adjust to the mental perception around the world of military parity between us and the Soviet Union, I think there is only one answer and that is to be better informed. We have got to be more astute. We have got to be able to look ahead and forecast events. We have got to be able to understand the problems and cultures of other societies with whom we deal even more, and from my parochial point-of-view that means better intelligence. It means we must strengthen and continue to build on the fine intelligence organization that we do have in this country. Over the recent years, the intelligence community of our country has been characterized by two major changes. One has been the burgeoning technical collection capabilities that the technological capabilities, the inventiveness of the industry of America has given us. The satellite, the signals listening capabilities, and so on. We have just great quantities of information coming to us today, more than we have ever had before and the prospect is how to absorb what we get in the future. It doesn't put the human intelligence, the espionage business any lower on the priority list, in fact it even heightens it, because you know more. What you don't know, you know pieces of it from the technical side but you don't know things like why did they do that and you now target your espionage activity on that.

The second change, however, and one that comes close to you is the expanding arena of interests of America which our intelligence community must support. We started out after the war largely focused on the Soviet Union and its client states and on their

military capability. We have been expanding ever since then in economics, much more political and into many, many more of 150 odd countries throughout the world where we do have important interests. In addition, the topics in which we must be concerned are rapidly expanding. Today I am expected to predict the Soviet grain harvest within a few bushels. A columnist once mentioned when we missed it by 10%, "Turner can't predict the Soviet grain harvest, how can he tell how many missiles they have got." I wrote back to him that I can see a missile a lot easier than I can an ear of corn.

We have to know the psychology, the health of world leaders around the world we are concerned with the trends in population growth, societal change in many lesser developed countries in the world. Then we are concerned in a number of topics that really do impact the United States Coast Guard. International narcotics flow, the Law of the Sea and all the ramifications of fishing and oil exploration/^{and development} mining that come from it, International terrorism, search and rescue. Humanitarian issues like refugees and emigres. Here, your field, I need not tell you, is expanding in all of these areas. I know the problem you are facing. Your resources are stretched thin and the needs are growing, the interest of the country in these fears is increasing. I would suggest to you there is more we can do working together as a team. Narcotics, for instance, I don't know precisely how much effort you are required to put on stopping the narcotics flow into this country, I personally hope it is large because I think it is a pressing problem one that must be arrested.

We working in international intelligence, foreign intelligence, of course are looking at where the narcotics are originating, how they are flowing, whose doing it what the route processes are. I would suggest that we need to be sure that we are tying this together with you and what efforts you are trying to make to arrest that flow directly into the continental United States. I hope so, I hope that we can provide something of assistance here that can make your stretched resources go a little further.

On the Law of the Sea, I am sure you envisage that all these 200 mile limits, regulations that are going to come soon about mining and off-shore development that these will stretch your resources very thin as to patrol requirements and to check on these laws and so on. Here again, we have our photographic satellites there is no reason they can't be turned to your advantage and to supplement your patrols in aircraft and ship requirements. We need to know what you need to know, we need to know where and how often and so on. I think much can be done here to supplement your resources and to help you.

Fishing. We keep track of foreign fishing activities in our waters. We have ideas about where they are fishing and the extent of it. I am sure you do very much the same. I am sure if we complement our activities and dovetail them better we can each benefit.

Prospective mining. Development of oil resources off-shore. We are very involved in knowing who is involved in this and where. I think there is no necessity in the long run as this area develops much more for the Coast Guard to have to go out and investigate each instance. We may be able through both satellite photography and other techniques to be able to tell you without leaving your headquarters a good bit about what is going on.

Terrorism. We put a great deal of effort on trying to blunt international terrorism. We put out an unclassified study once a year on the trends in international terrorism. I have to tell you that we are predicting that the rate of terrorist incidents involving U.S. businesses and business people is going to increase, and with it very possibly your interest and involvement too. I would not be surprised if one of these days we had a renewal of the incident of a number of years ago of ship-jacking. Something that would very much involve you. But, here again I believe the work we do in foreign countries to penetrate, understand and know about foreign terrorist organizations, sometimes we help thwart their plans and intentions right there. Other times we don't have that capability, but we can give clues as to intending that may impinge on areas of national interest that you keep surveillance over.

Of course, one of the things that first got me thinking in these directions was the day I sat in the White House with Admiral Costello here on the question of the Cuban flow from Mariel to Florida and realized that he had information that I needed and didn't have and that I had information he needed and didn't have. Jack, I hope we are working to smooth that out, I know I have given instructions to that end if it hasn't worked see me afterwards.

The whole sensitivity of the world and of this country to humanitarian problems like the flow of emigres from Vietnam which absorbed some of the U.S. Navy's resources, the flows from Haiti and Cuba which are absorbing yours is going to grow, is isn't something that is going to diminish. There is, because of mass communications today so much more public opinion and interest in events like this there is no way you will be able to avoid the repercussions on the use of your resources. I hope that if we share with you more we can be better in predicting when these things are likely to occur and helping you to monitor them as they go along.

The same is with search and rescue efforts, perhaps in some instances there our capabilities are such that they assist you or either make your allocation of resources less or more efficient. What I am saying to you, is I think the prospect ahead is exciting for you and for me. I am saying that in 30 some years as a naval officer I frankly had very little interplay with the United States Coast Guard. I think in the future you are going to have to be much more involved, much more integrated with all of the military and many of the non-military elements of our government and particularly with the intelligence community and I think that is going to make your involvement in the international affairs of this country more important, more decisive and your lives and your careers more exciting and I hope that the closer connection should and must be vowed, in particular in my present responsibilities in the intelligence world and your responsibilities off the coast of our country is going to help both of us. Make both of our lives, both of our contributions to our country more interesting and more productive. We stand ready to support you, your responsibilities to your country are going to grow in the years ahead, I hope we can help you with them. Thank you.